

**MINUTES
EAGAR TOWN COUNCIL
REGULAR MEETING
22 W. 2nd St., Eagar, AZ
April 5, 2011 – 7:00 P.M.**

Mayor Kim Holaway called the regular council meeting to order and welcomed those present. Mayor Holaway said to let the record show that all council members are present. Mayor Holaway led the Pledge of Allegiance and Gary Finch offered the invocation.

COUNCIL PRESENT: Kim Holaway, Mayor
 James Nelson, Jr., Vice-Mayor
 Byron Smith
 Gary Finch
 Steve Erhart
 Tim Rasmussen
 Debbie Rogers

STAFF PRESENT: Bill Greenwood, Town Manager
 Bruce Ray, Community Development Director
 Eva Wilson, Town Clerk
 Katie Wood, Finance Administrator
 Mike Hogan, Police Chief
 Steve Christensen, Public Works Administrator
 Doug Brown, Town Attorney

ITEM #5: SUMMARY OF CURRENT EVENTS

A. MAYOR

Mayor Kim Holaway reported that the Centennial Park project is moving forward at the Main Street gazebo area. There are plans to add landscaping, benches, tables, commemorative blocks/pavers, and two kiosks to the area. A volunteer workday has been scheduled for May 21, 2011 starting at 7:00 a.m. Boy Scouts will be preparing hotdogs for the work party. It is proposed that the project will be completed by August 2011.

B. COUNCIL

Councilor Gary Finch reported that he and the Mayor attended the Apache and Navajo Counties Mayor and Council Association meeting. Discussion included the redistricting that occurs after every Census, legislative issues, and the rural corridor brand for the area. The Association agreed to write a letter to our legislators on behalf of all the communities regarding the loss of local control to the State and encourages the cities and towns to continue to contact the legislators for the district - Senator Allen, Representatives Barton and Crandall. Mayor Holaway was elected to serve as the new Chair for the Association.

Councilor Tim Rasmussen reported that a Pitch In-Clean Up Committee meeting was held earlier today. Citizens are still signing up for the Main Street Beautification program from earlier invitations that were sent out. The Committee is working very closely with the Centennial Park project and the Tree Grant.

C. STAFF

Town Manager Bill Greenwood introduced the Interim Public Works Director Steve Christensen who started yesterday.

Public Works Director Steve Christensen addressed the Council and told that them he is proud to fill the roll of Public Works Director and is excited to work with the team. The Community Development Block Grant (CDBG) project is a priority as the Spanish Trail project wraps up. Crews will also be working on the Centennial Park project.

Town Clerk Eva Wilson advised the Council that she would be on vacation April 18-28, 2011. Assistant Town Clerk Marion Wiltbank will be manning the clerk's office while Ms. Wilson is gone.

Finance Administrator Mary Wood advised the Council that she would be on vacation April 19-25, 2011.

Community Development Director Bruce Ray reported that the final plan for medical marijuana has been finalized and on April 14, 2011 patients can start applying for certificates. On June 1, 2011 dispensary applicants can start applying for dispensaries. There has been one person interested in locating a dispensary in Eagar; a public hearing will be scheduled with the Planning and Zoning Commission.

Chief Mike Hogan reported that the Regional Special Olympics event will be held at the dome starting at 8:00 a.m. – 12:00 p.m. The Citizen's Police Academy will start April 28th and will continue for ten weeks (always on Thursdays). Citizens do not have to become a police volunteer to attend the Citizen's Police Academy, the academy is to give citizens knowledge of the activities and work load of the police department.

ITEM #6: OPEN CALL TO THE PUBLIC

Apache County Chief Deputy Brannon Eagar and Director of Emergency Services in Apache County advised the Council of an ICS Course Mag. 402 – Incident Command Structure training for senior officials. It is highly recommended that elected officials and department heads attend so that all entities know their roles during an emergency in Apache County, and so full reimbursement can be received for emergency funds from the federal government. It is also a requirement for National Incident Management System (NIMS) compliance for federal grants. The ICS Course will be held on April 19, 2011 at 10:30 a.m. – 1:30 p.m. in St. Johns. There is a prerequisite for this class that can be obtained on the Arizona Emergency Management website at a program called ERMA.

Springerville-Eagar Chamber of Commerce Director Becki Christensen advised the Council of a conference call that was held with Marketing/Promoter Tony Kyle, Steve West, Bill Greenwood, and Ms. Christensen today. A business meeting will be held on Thursday, April 28, 2011 at 6:00 p.m. in the high school auditorium. The towns, the Chamber, and the school (who are funding the promoter) plus the need to include Northland Pioneer College, the Small Business Center, Apache County Economic Development, Council members, and other representatives need to be in attendance at the scheduled meeting to make the marketing plan work. The Chamber will contact all the businesses in Round Valley to let them know of the meeting.

Mr. Kyle asked the towns, Chamber, and school to call businesses and ask, “What are your problems?” What can we do as a community to grow and becoming a united force?” A press release will be placed in the newspaper. Mr. Kyle’s goals are to bring “us” all together, and the second goal is to help with the big self-sustaining events.

Ms. Christensen advised the Council of the following activities:

- April 15 - 16, 2011 – Chrome in the Dome – many registrants from the regional states.
- April 21, 2011 at 6:00p.m. – Mixer at Road Inn in the breakfast room.
- April 26, 2011 Team Clean Mixer at the Udall-Johnson Room at the Springerville Town Hall. The mixer will present the historical, museum and art exhibits in the Udall-Johnson Room.
- July 2, 2011 from 8:00 a.m. – 4:00 p.m. at the school auditorium, Jay Whitmore will be presenting a Constitution Class that has been Arizona Centennial approved.

Tourist should soon have more to do in Round Valley.

ITEM #7: PRESENTATIONS

A. PRESENTATION TO APRIL 2011 “SHINING STARS” COMMUNITY HONOREES

Councilor Tim Rasmussen announced that last year the Town Council decided it would be a good idea every month to present a spotlight recognition for those people or groups that do an outstanding service for the Town of Eagar and in and for the community. This month’s “Shining Stars” is the group from AARP who help seniors, and low to middle income citizens with their tax forms. These volunteers serve approximately 256 citizens every year. They are certified through the IRS and have to pass several tests. The following citizens were recognized for their years of service:

John Fredericksen – 8 years
Pat Hartman – 6 years
Chris Compton – 1 year

Byron Smith – 6 years
Lee Murdock – 3 years

ITEM #8: CONSENT AGENDA

APPROVAL OF MINUTES OF EAGAR TOWN COUNCIL MEETINGS HELD MARCH 2011

APPROVAL OF MINUTES OF THE JOINT COUNCIL MEETINGS HELD FEBRUARY 22, 2011

APPROVAL OF FEBRUARY 2011 BANK TRANSMITTALS 1-22 NATIONAL BANK OF AZ CHECKS WRITTEN FROM 29573-29900, PAYROLL DIRECT DEPOSIT VOUCHERS 2101101-2241138, CARD MEMBER SERVICE CREDIT CARD PURCHASES

Councilor Steve Erhart moved to approve the Consent Agenda as presented. Vice-Mayor James Nelson, Jr. seconded; six were in favor, Councilor Tim Rasmussen was opposed, motion carried.
6-1

ITEM #9: UNFINISHED BUSINESS

A. DISCUSSION AND CONSIDERATION OF JANUARY FINANCIAL REPORT, AND TOWN'S SALES TAX REVENUE REPORT

Finance Administrator Katie Wood stated that on the Financial Report a negative number is shown in parentheses to show shifts of General Funds and Eagar Municipal Property Corporation expenditures for the first eight month's journal entries. The shifts were recommended by the auditors to clean up the bonds savings account. The Highway User Revenue Funds (HURF)-Miscellaneous revenues also shows a negative number due to a miscoding that has been corrected.

Ms. Wood added that the sales tax revenue for the month of February is outstanding, almost \$109,000 for that month, \$50,000 over year to date figures.

Town Manager Bill Greenwood reports that the high school construction continues to provide increased revenue over last year by \$13,000. The restaurant and bar revenues are up significantly over last year as well.

B. DISCUSSION AND CONSIDERATION OF ANY ACTION TO BE TAKEN ON LEGISLATIVE ISSUES

Mayor Holaway reported that the State passed a budget last Friday. The budget reduces State Shared Revenues and HURF with severe cuts. Many legislative decisions continue to affect local control. Eagar's sales tax revenue has been favorable and will offset the reductions by the State. Eagar's increased sales tax shows that citizens are shopping locally. The other item in Eagar's financial favor is the 21% increase in population as shown by the 2010 Census. Eagar now has a population of 4,889.

Ms. Wood reported that Arizona Department of Water Resources asked the State for an additional \$7 million with the expense being allocated per capita to every city and town. It

will equate to \$6,900 for Eagar next budget year. The allocation does not affect private water companies the entire \$7 million will be allocated to Arizona cities and towns.

Due to the increase in Eagar's population, Eagar will only lose \$41,000 of HURF funding compared to the \$108,000 that was initially expected.

Regarding the Arizona State Retirement System (ASRS) the employees will contribute 53% of their retirement and the Town of Eagar will contribute 47% of employee's retirement. This will be a savings to the town and an increased expense for employees. Mayor Holaway added that the Public Safety Personnel Retirement System (PSPRS) and Elected Officials Retirement, (State Elected Officials), plans are not affected, which is perplexing as the ASRS is the healthiest plan of the three.

Ms. Wood added that the Department of Public Safety officers only pay 2% of their PSPRS contributions, whereas all other police officers in the PSPRS pay 7% of their contributions.

C. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-06 APPROVING A LEASE AGREEMENT AND COOPERATIVE AGREEMENT BETWEEN THE TOWN OF EAGAR AND THE ARIZONA GAME AND FISH COMMISSION REGARDING AN URBAN LAKE

Mr. Greenwood reported that the all of the Councilors concerns were addressed in the amended agreements. It is recommended that the Town of Eagar not make major improvements to the property until clarification has been made regarding the transfer of property to Eagar. Liability issues still need to be clarified with the Town's risk pool, and it is assumed that the Game and Fish Commission and Town of Eagar will share liability responsibility equally until a transfer is executed. The Game and Fish Commission meets on Thursday and will be considering these agreements and they would like to know Eagar's intent first.

Mr. Greenwood clarified that the Town would not be responsible for running electricity lines to the property, the Town will be responsible for the monthly electric bills.

Councilor Debbie Rogers moved to approve a Lease Agreement and Cooperative Agreement between the Town of Eagar and the Arizona Game and Fish Commission regarding an urban lake. Councilor Gary Finch seconded; all were in favor, motion carried unanimously. 7-0

ITEM #10: NEW BUSINESS

A. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-18 APPROVING AN ARIZONA DEPARTMENT OF LIQUOR LICENSE APPLICATION FOR TRAILRIDERS FAMILY RESTAURANT

Councilor Steve Erhart declared a conflict of interest and excused himself from this agenda item.

Town Clerk Eva Wilson reported that the clerk's office posted the liquor license application as required by Arizona Revised Statutes and that she did not receive any arguments in favor or opposed to the liquor license for Trailriders Family Restaurant.

Jodi Emerald of Trailriders addressed the Council and let them know that the liquor license application is a Series 12 restaurant license. Ms. Emerald stated that the liquor license is solely for alcohol consumption on the premises. At least 40% of the restaurant's gross revenue must be from the sale of food, employees must attend liquor license training to serve alcohol, and if any changes are made to the facilities floor plan the Liquor Board must be notified. Ms. Emerald stated that the restaurant loses business every day, as patrons want alcohol to be available.

Vice-Mayor James Nelson, Jr. moved to accept Resolution 2011-18 approving an Arizona Department of Liquor License Application for Trailriders Family Restaurant. Councilor Debbie Rogers seconded; all were in favor, motion carried unanimously. 6-0

B. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-07 APPROVING A FEE SCHEDULE FOR MEDICAL MARIJUANA BUSINESS LICENSING

Town Clerk Eva Wilson reminded the Council that the formally passed ordinance regarding medical marijuana mandated business license applications and fees for dispensaries. Ms. Wilson recommended the following fees for medical marijuana business license applicants:

- Annual Application and Investigation Fee \$500.00
- Annual Employee License Fee \$250.00
- Annual Business License Fee \$250.00

Vice-Mayor James Nelson, Jr. moved to accept Resolution 2011-07 approving a fee schedule for Medical Marijuana Business Licensing. Councilor Steve Erhart seconded; all were in favor, motion carried unanimously. 7-0

C. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-12 ADOPTING THIS FAIR HOUSING POLICY AND/OR FAIR HOUSING PROCLAMATION MAKING KNOWN THE TOWN OF EAGAR'S COMMITMENT TO THE PRINCIPLE OF FAIR HOUSING AND DESCRIBING ACTIONS IT SHALL UNDERTAKE TO AFFIRMATIVELY FURTHER FAIR HOUSING

Mr. Greenwood advised the Council that the Fair Housing Resolution is a requirement for the Town of Eagar to receive CDBG funding such as the Brown and Hamblin Street project. The Town commits to passing a resolution, posting the proclamation and Fair Housing Posters with a distribution list of those areas to be kept on file, and to notify real estate licensees of the Town's commitment to further fair housing with that distribution list to be kept on file as well.

Councilor Steve Erhart moved to approve Resolution 2011-12. Councilor Gary Finch seconded; all were in favor, motion carried unanimously. 7-0

D. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-14 APPROVING THE SUBMISSION OF PROJECTS FOR THE 2011-2012 STATE HOMELAND SECURITY GRANT PROGRAM, ACCEPTING THE NO MATCH GRANT FUNDING AND APPROVAL OF PURCHASING IN ACCORDANCE WITH THIS GRANT BY CHIEF MIKE HOGAN

Chief Mike Hogan advised the Council to actually consider two steps to these resolutions in that the Council consider approving the application for the grant and later approve any purchases over \$10,000 according to the town's purchasing policy. The State Homeland Security Grant is a reoccurring grant that the police department has applied for and this grant will be used to purchase two portable generators to be used during emergencies and use to pump water into the town's storage tanks from the wells when the need arises such as during a power outage. This grant is in the amount of \$85,000 to be reimbursed after the purchases.

Councilor Steve Erhart moved to accept Resolution 2011-14 approving the submission of projects for the 2011-2012 State Homeland Security Grant Program. Mayor Kim Holaway seconded.

Councilor Gary Finch stated the reasons for his opposition to government grants is that at any time the government can determine not to honor the grants and not reimburse grantees for the expenditures that have been made in good faith. All government grants are obtained from the taxpayer's money and someday the government needs to figure out how to balance their budget without freely spending the taxpayer's money.

Six were in favor, of the motion; Councilor Gary Finch was opposed, motion carried. 6-1

E. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-15 APPROVING THE SUBMISSION OF PROJECTS FOR THE 2011-2012 ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY PLAN, ACCEPTING THE NO MATCH GRANT FUNDING, AND APPROVAL OF PURCHASING IN ACCORDANCE WITH THIS GRANT BY CHIEF MIKE HOGAN

Chief Hogan stated that the Governor's Office of Highway Safety Grant is also a reoccurring grant that the police department has applied for. The two grants the police department is applying for are \$59,350 for a traffic enforcement police car and selective traffic enforcement overtime, and \$10,000 to fund DUI enforcement overtime. All grant funds are expended on a plan through the finance department that allows for reimbursement to be received before other grant funds are expended.

Vice-Mayor James Nelson, Jr. moved to accept Resolution 2011-15 approving the submission of projects for the 2011-2012 Arizona Governor's Office of Highway Safety Plan. Councilor Byron Smith seconded; six were in favor, Councilor Gary Finch was opposed, motion carried. 6-1

F. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-16 APPROVING THE SUBMISSION OF PROJECTS FOR THE 2011 PROPOSITION 202 FUNDING, ACCEPTING THE NO MATCH GRANT FUNDING AND APPROVAL OF PURCHASING IN ACCORDANCE WITH THIS GRANT BY CHIEF MIKE HOGAN

Chief Hogan advised the Council that the Proposition 202 Grant comes from Hon Dah Casino profits and is a reoccurring grant that the police department receives. The grant is in the amount of \$6,000 with \$3,500 to be used for emergency lights and reflective striping for the fire department incident support van, and \$2,500 to purchase larger memory cards for the patrol vehicles in-car video cameras and a replacement part.

Vice-Mayor James Nelson, Jr. moved to accept Resolution 2011-16 approving the submission of projects for the 2011 Proposition 202 funding. Councilor Steve Erhart seconded; all were in favor, motion carried unanimously. 7-0

G. DISCUSSION AND CONSIDERATION OF RESOLUTION 2011-17 AUTHORIZING AND DIRECTING THE TOWN MANAGER TO APPLY FOR AND ADMINISTER A WATER INFRASTRUCTURE FUNDING AUTHORITY (WIFA) TECHNICAL ASSISTANCE GRANT

Mr. Greenwood reported that NCS Engineers approached the Town in regards to a preliminary engineering report they could perform on Eagar's wastewater system if the Town of Eagar allows them to apply for a Water Infrastructure Finance Authority (WIFA) technical assistance grant and to conduct the preliminary engineering report. There are some areas in town where the sewer lines are in need of analysis.

Councilor Steve Erhart moved to accept Resolution 2011-17 authorizing and directing the town manager to apply for and administer a WIFA Technical Assistance Grant. Vice-Mayor James Nelson, Jr. seconded; all were in favor, motion carried unanimously. 7-0

ITEM #11: SIGNING OF DOCUMENTS

Mayor and Councilors signed the Minutes of March 2011. The required signatures were obtained for Resolutions 2011-06, 2011-18, 2011-07, 2011-12, 2011-14, 2011-15, 2011-16, and 2011-17.

ITEM #12: ADJOURNMENT

Councilor Gary Finch moved to adjourn the meeting at 8:22 p.m. Councilor Steve Erhart seconded; all were in favor and the motion carried unanimously. 7-0

Attest: _____

Mayor: _____

Eagar Council Regular Session
April 5, 2011

Vice-Mayor: _____

Council: _____

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes are true and correct copy of the
minutes of the regular session of the Town of Eagar, Arizona held on April 5, 2011.
I further certify that the meeting was duly called and held and that a quorum was present.

Eva M. Wilson, Town Clerk